

RESOLUTION NO. _____, SERIES 2008

**A RESOLUTION AMENDING THE LOUISVILLE METRO COUNCIL
POLICIES AND PROCEDURES PERTAINING TO NEIGHBORHOOD
DEVELOPMENT FUNDS AND CAPITAL INFRASTRUCTURE FUNDS.**

Sponsored By: Councilmember Dan Johnson

**NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:**

SECTION I: Section 3 of the Louisville Metro Council Policies and Procedures is hereby
amended to read as follows:

**Section 3. NEIGHBORHOOD DEVELOPMENT FUND (NDF) AND CAPITAL INFRASTRUCTURE
FUND (CIF)**

*NOTE: In addition, Section 6 of the Rules of the Metro Council outlines the specifications and form for ordinances
and resolutions.*

1. Neighborhood Development Fund (NDF) - The Neighborhood Development Fund is established in the
Operating Budget each fiscal year to complete projects in Council Districts or Louisville/Jefferson County. Each
council member is appropriated the same level of funding. Funds not allocated during a fiscal year will not carry
over into the next fiscal year unless requested by the Council member to Finance before the end of the fiscal year or
unless agreed upon in the Budget Ordinance.

A. Guidelines to Expend Funds from NDF

The Council member submits the request to the Appropriation's, NDFs and CIFs Committee for consideration
before commitment of the funds and before the event takes place if possible.

The Council member may request expending NDF for:

- capital and operating grants to eligible non-profits defined under the Internal Revenue Code Sections:
 - 501(c)3 Organizations
 - 501(c)4 Organizations (Civic Leagues, Social Welfare and Neighborhood Associations only)
 - Section 501(c)6 Organizations (Business Leagues only)
 - Section 501(c)19 Veterans' Organizations
- Metro government departments/agencies
- Other local governmental entities
- Council member's operating cost center accounts, or to their personnel account in the administrative cost
center limited to \$25,000 per fiscal year.

Council member's operating cost center funds cannot be transferred to a NDF account.

The Council may expend NDF grants to organizations which provide services, programs or projects the Council
member determines meets critical human needs, improves the quality of life for Louisville Metro citizens or is in the
best interest of the district or community. Each request for the use of funds shall explicitly state their purpose and
use.

Eligible activities include, but are not limited to, one-time capital expenditures (such as computer equipment,
infrastructure repairs), direct client services (such as rent assistance), any Metro department/agency service (such as
park playground equipment), general operating and community events.

Expenditures are for public purpose only. Generally, the objective of public purpose is for the promotion of public health, safety, general welfare, security, prosperity, or contentment of residents within the jurisdiction of the Metro Louisville. A public expenditure must be primarily for the benefit of the general public, but the fact that it incidentally benefits others, including private parties, does not make it unacceptable. A public expenditure may be made through a private group or individual, and it does not lose its public character when it is administered in that manner. Council members are encouraged to seek opinion from the County Attorney's office if there is a doubt concerning public purpose.

A registered eligible 501(c) non-profit organization must be in good standing with:

- the Kentucky Secretary of State
- the Louisville Metro Revenue Commission, and
- Louisville Metro Government Department/Agencies who also have grants with the non-profit organization

If an organization uses another non-profit organization to receive funding on its behalf, the non-profit organization is responsible and accountable for following the guidelines also.

If a non-profit organization has applied but not yet received an IRS determination letter, it is eligible to apply for NDF funding and may submit its Articles of Incorporation and the IRS application for exempt status. However, a non-profit organization exempt from filing IRS Form 1023 Application for Recognition of Exemption under Section 501(c) because they earn less than \$5,000 annually must furnish the most recent annual Statement of Earnings. The Corporate Articles of Organization must contain tax exempt language as defined in the IRS Publication 557, Tax-Exempt Status for Your Organization.

Expenditures may only be used to serve Louisville/Jefferson County.

B. Eligible Non-Profit Organization Grant Requirements

The organization has an Affirmative Action/Equal Employment Opportunity plan and/or policy statement if required to do so.

The organization may not discriminate based on age, color, race, disabled status, sexual orientation, national origin, religion, sex, or Vietnam era veteran status.

Metro funds generally are not used to supplement more than 33% of the total agency operating budget.

The organization may not require clients receiving services or project participants to participate in religious, political, fraternal, etc. activities in order to receive services or participate.

Any Council member, legislative assistant or family member of a Council member or legislative assistant must disclose any relationship with a requesting organization.

The organization agrees to participate in any required training.

The organization agrees to adhere to all terms of agreements/contracts set forth within the NDF application or agreement.

The organization agrees to be audited and/or monitored on site by the appropriate agency personnel to determine appropriate expenditure of funds and/or record keeping.

The organization agrees to submit any required written financial, program, or other monitoring reports timely.

The organization publicly acknowledges the funding is provided by Louisville Metro Council and may also acknowledge the individual Council member in its publicity and informational material.

The organization agrees to expend funds by the end of the term of the grant agreement for purpose(s) stated in grant proposal.

The organization agrees to return any unexpended funds to Louisville Metro Government. The returned funds are credited to the Council Member's NDF account originally funding the request.

Funding for start up organizations is discouraged. All organizations should be able to prove long term viability before receiving NDF funding.

C. Preparing an NDF Ordinance

An ordinance is required to allocate funding by one or more Council members over \$5,000 to any one organization. The required ordinance format is:

- The title – (a) sets out the level of funding; (b) identifies the account to be charged; (c) indicates the assigned department/agency; (d) identifies the purpose of the allocation; and (e) identifies the requesting organization (using the exact name of the organization as registered with the IRS).
- The sponsor – Directs the Budget Office to draw the funds from the appropriate NDF account.
- Section 1 – Repeat of the title
- Section 2 – Declares the funds will be used for a public purpose
- Section 3 – The effective date of the ordinance
- Signature approval lines- Lined spaces for the Council President, Council Clerk, Mayor and the County Attorney, as well as the date approved by the Mayor

D. Documentation Requirements

NDF Request Form and Non-Profit Application for funding are maintained on the Council shared network drive. The request forms and application are designed by the Appropriations, NDFs and CIFs Committee and may or may not be the same application used by the Administrations External Agency Task Force.

In order to be considered by the Appropriations, NDFs and CIFs Committee, the signed request and all supporting documentation are submitted to the Clerk's office by:

- 4:30 PM on the Wednesday prior to a regular Council meeting for requests \$5,000 and under not requiring an ordinance
- Noon on the Monday prior to a regular Council meeting for requests over \$5,000 requiring an ordinance

An ordinance is required if funds are requested to be moved between the operating budget and the capital budget.

E. Grant Administration/Monitoring

The grant request and application process including forms is defined by the Appropriations, NDFs and CIFs Committee. Grant administration to non-profit organizations is the responsibility of the Clerk's Office who will track and monitor council NDF transactions to final disbursement and reconciliation. Council Financial Advisors will review and conduct on-site monitoring of grants upon request.

Responsibilities are outlined in (1) and (2) below.

(1) Expending Neighborhood Development Funds to a Non-Profit Organization

Responsible Party	Process Description
Organization	Contacts Council member regarding need.
Council member	Forwards Application (located on Council shared drive) to organization for completion.
Organization	Returns completed Application with required supporting documentation to Council member.
Council member	<ul style="list-style-type: none">- Reviews request, verifies completeness of Application and supporting documentation, decides level of funding to be requested if any.- Prepares Request Form, if needed.- Ordinances are submitted by noon on the Monday before the regularly scheduled Council meeting and NDF requests for \$5,000 and under are submitted by 4:30 PM on the Wednesday before the regularly scheduled Council meeting, to the Clerk's office to be added to either the Council agenda or the Appropriations <u>NDFs and CIFs</u> Committee agenda.

Clerk's office	Places requests greater than \$5,000 on Council Agenda. Places requests of \$5,000 or less on Appropriations, <u>NDFs and CIFs</u> Committee's agenda.
Appropriations, <u>NDFs and CIFs</u> Committee/Council	Considers/approves request. <u>The original requestor or their designee must be present to discuss requests of \$5,000 or more.</u>
Clerk's office	If an ordinance is approved in Committee, the Clerk's office places it on the Council agenda for second reading.
Council	Considers/approves second reading.
Clerk's office	If approved by the Appropriations, <u>NDFs and CIFs</u> Committee or the Council, the Clerk's Office administers the grant by tracking and monitoring the transactions to final disbursement and reconciliation. Council Financial Advisors will review and conduct on-site monitoring of grants upon request.
Council member	If funds remain, receives reallocation of funds.

(2) Expending Neighborhood Development Funds to a Metro Department/Agency or other local government entity

Responsible Party	Process Description
Council member	Determines type and scope of work to be completed. Requests department/agency detailed estimate.
Department/Agency	Prepares detailed estimate for Council member.
Council member	If funding is desired, ordinances are submitted by noon on the Monday before the regularly scheduled Council meeting and NDF requests for \$5,000 and under are submitted by 4:30 PM on the Wednesday before the regularly scheduled Council meeting to the Clerk's office to be added to the Council agenda or the Appropriations, <u>NDFs and CIFs</u> Committee agenda.
Clerk's office	Places on Council Agenda for first reading if the NDF is over \$5,000. Places the requests of \$5,000 or less on the Appropriations Committee's Agenda.
Appropriations, <u>NDFs and CIFs</u> Committee/Council	Considers/approves request. <u>The original requestor or their designee must be present to discuss requests of \$5,000 or more.</u>
Clerk's office	If an ordinance is approved in Committee, the Clerk's office places it on the Council agenda for second reading.
Council	Considers/approves second reading.
Clerk's office	If approved by either the Appropriation's Committee or Council, forwards copy of completed NDF Request and Application to assigned department/agency for implementation.
Department/Agency	Schedules work for completion. Notifies Council member when the work begins. At the end of the project notifies Council member of all disbursements and remaining balance.
Council member	If funds remain, receives reallocation of funds.

2. Capital Infrastructure Fund (CIF) - The Capital Infrastructure Fund (CIF) is established in the Capital Budget each fiscal year to complete projects/programs in Council Districts or Louisville/Jefferson County. Each Council member is appropriated the same level of funding. Funds not appropriated during a fiscal year carry over into the next fiscal year.

A. Guidelines to Expend/Transfer Funds from CIF

Beginning July 1, 2005, the Council member submits the Request Form to the Appropriations, NDFs and CIFs Committee for consideration before any funds from the FY06 and all future year Capital Budgets can be expended if required in the Budget Ordinance. If not required in the Ordinance, only funds that are not specifically identified in the Budget Ordinance must be presented to the Appropriations, NDFs and CIFs Committee. FY04 and FY05 CIF must be reallocated to other projects through a Budget Ordinance Amendment.

The Council member may request expenditure of CIF for:

- Metro government department/agency for specific projects
- Other governments for specific projects
- Council member may move CIF to NDF through an ordinance submitted and approved by the Metro Council

Each request for funds shall explicitly state their purpose and use.

Expenditures are for public purpose only. Generally, the objective of public purpose is for the promotion of public health, safety, general welfare, security, prosperity, or contentment of residents within the jurisdiction of the Metro Louisville. A public expenditure must be primarily for the benefit of the general public, but the fact that it incidentally benefits others, including private parties, does not make it unacceptable. Council members are encouraged to seek opinion from the County Attorney's office if there is a doubt concerning public purpose.

Expenditures may only be used to serve Louisville/Jefferson County.

B. Eligible Organization Grant Requirements

~~The organization has an Affirmative Action/Equal Employment Opportunity plan and/or policy statement if required to do so.~~

~~The organization may not discriminate based on age, color, race, disabled status, sexual orientation, national origin, religion, sex, or Vietnam era veteran status.~~

~~The organization may not require clients receiving services or project participants to participate in religious, political, fraternal, etc. activities in order to receive services or participate.~~

~~Any Council member, legislative assistant or family member of the Council member or legislative assistant must disclose any relationship with a requesting organization.~~

~~The organization agrees to adhere to all terms of agreements/contracts set forth within the CIF application or agreement.~~

~~The organization agrees to be audited and/or monitored on site by the appropriate governmental personnel to determine appropriate expenditure of funds and/or record keeping.~~

~~The organization agrees to submit any required written financial, program, or other monitoring reports timely.~~

~~The organization agrees to publicly acknowledge the funding is provided by Louisville Metro Council and may also acknowledge the individual Council member in its publicity and informational material.~~

~~The organization agrees to expend funds by the end of the term of the grant agreement for purpose(s) stated in grant proposal. The returned funds are credited to the Council Member's CIF account originally funding the request.~~

C. B. Documentation Requirements

CIF Request Form is maintained on the Council shared network drive. The Request Form and Application are designed by the Appropriations, NDFs and CIFs Committee.

In order to be considered by the Appropriations, NDFs and CIFs Committee, all items (including all supporting documentation) are submitted to the Clerk's office by 4:30 PM on the Wednesday prior to a regular council meeting.

Any Appropriations, NDFs and CIFs Committee member may request the CIF application be added to the next Council meeting as a special item for consideration.

C.D. Administration/Monitoring

The CIF grant request and application forms are defined by the Appropriations, NDFs and CIFs Committee. Grant administration is the responsibility of the Clerk's Office. Council Financial Advisors will review and conduct on-site monitoring of grants upon request.

Responsibilities are outlined below:

Expending Capital Infrastructure Funds to a Metro Department/Agency or other Local Government Entity

Responsible Party	Description
Council member	Determines type and scope of work to be completed. Requests agency detailed estimate.
Department/Agency	Prepares detailed estimate for Council member.
Council member	Approves estimate and submits to the Clerk's Office the completed Request Form by 4:30 PM on the Wednesday before a regularly scheduled Council meeting.
Clerk's office	Places item on Appropriations, <u>NDFs and CIFs</u> Committee agenda.
<u>Appropriations, NDFs and CIFs Committee</u>	Considers/approves request. Any member of the committee may request the original CIF application be added to the next Council meeting agenda as a special item for consideration. <u>The original requestor or their designee must be present to discuss requests of \$5,000 or more.</u>
Clerk's office	If requested by member of Appropriations, <u>NDFs and CIFs</u> Committee, places the CIF application on the next Council meeting as a special item for consideration.
Council	Considers/approves request.
Clerk's office	If approved by Appropriations, <u>NDFs and CIFs</u> Committee or Council, forwards copy of completed CIF request to assigned department/agency <u>and Finance</u> for implementation.
<u>Finance</u>	<u>Establishes the budget for the project and forwards the information to the Council and affected Department.</u>
Department/Agency	Schedules work for completion. Notifies Council Member when the work begins. At the end of the project, notifies the Council Member of all disbursements and any remaining balance. <u>Requests Finance to prepare a budget adjustment to move remaining funds to the appropriate District Capital Projects or Republican Pooled Capital Projects.</u>
<u>Finance</u>	<u>Prepares a budget adjustment moving remaining funds to the appropriate District Capital Projects or Republican Pooled Capital Projects and provides a copy of the budget adjustment to the Council.</u>
<u>Council member</u>	<u>If funds remain, receives reallocation of funds.</u>

SECTION II: This Resolution shall take effect upon its passage and approval.

Kathleen J. Herron
Metro Council Clerk

Jim King
President of the Council

Jerry E. Abramson
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:
Irv Maze

Jefferson County Attorney

BY: _____

Policies and Procedures Draft 1 wtw/bkn - 7 March 2008
Council Policy Amending Sect. 3 NDF & CIF ROC wtw,bkn Res. Draft 1.doc

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